

STATE OF NORTH CAROLINA WIRELESS 911 BOARD POLICIES

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6) PROCEDURES FOR CMRS REIMBURSEMENT

- a) North Carolina General Statutes § 62A-25 requires CMRS carriers to submit sworn invoices to the Board for review and approval. To provide the Board adequate information to make an informed decision, CMRS carriers are required to comply with the following process:
 - i) Upon receipt of a request for wireless E9-1-1 service from an Eligible PSAP, the CMRS carrier will develop an implementation plan (the Plan, as described in paragraph 9) for that PSAP or the appropriate service area if the CMRS carrier's switch serves more than one PSAP.
 - ii) The relevant portions of the Plan, not including cost information, will be presented to the requesting PSAP. Upon acceptance of the Plan by the PSAP, the CMRS carrier will present the Plan to the Cost Recovery Subcommittee of the Board for its approval, as specified in paragraph 2.
 - iii) After initial acceptance of a CMRS carrier's Plan using a particular solution vendor(s) by the Cost Recovery Subcommittee, the CMRS carrier need not make additional presentations to the Subcommittee as to that particular solution. Letters will be sent to the Board with notification of additional service implementation in the state and the resulting costs represented. The Board does reserve the right to request further presentations should it have questions about the subsequent changes.
- b) The Cost Recovery Subcommittee will consist of three (or more) members appointed for the purpose of reviewing each CMRS carrier's Plan. The Subcommittee will consist of the Board chairperson (or his or her designee), the Board's auditor or financial advisor, and one or more board members who are familiar with the technical aspects of Wireless Enhanced 911. Board members representing local telecommunications carrier "LECs" or any CMRS carrier cannot be members of this subcommittee.
 - i) The initial Plan presented to the Cost Recovery Subcommittee is intended to allow for the recovery of a carrier's cost on a one-time basis and/or recurring (monthly) basis. A list of anticipated one-time and recurring costs is set forth below, but the list will vary depending upon the CMRS carrier and the selected E911 solution:

Trunks:

Trunking
Connection fee to 9-1-1
Selective Router (per DS0)

Engineering & Network

Costs: Facilities; T-1's,
selective router ports
Routing Charges
Operations
Engineering

Switch upgrades

Research & Development
Network design
Test plan development

Database Cost

P-ANI administration
Database management

Other:

Reporting/Software

- ii) The subcommittee will refer the Plan to the Board with a recommendation that it either be approved or rejected. If the recommendation is for rejection, the subcommittee will provide the reason, in writing, to both the Board and the CMRS carrier. The subcommittee shall indicate whether the Plan complies with the 125% rule as described in paragraph 9f.

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- c) After review by the subcommittee, the CMRS carrier will present the Plan (less any confidential, proprietary or competitively sensitive information) to the Board at its next regular meeting. The Board will not approve payment of any amount in excess of the actual cost of the CMRS carrier in providing Wireless Enhanced 9-1-1. The Board will vote on the Plan and provide the CMRS carrier, in writing and within 5 working days, either approval or denial. If rejected, the Board will provide documented reasons. The CMRS carrier may revise and resubmit its Plan at subsequent meetings.
- d) Once a Plan is approved, the CMRS carrier may file claims for reimbursement of its actual one-time and/or recurring costs. One time costs, if any, will be reimbursed upon submission of Sworn Invoice as defined in paragraph 10. The amount of reimbursement that the CMRS carrier is entitled to receive on a recurring costs basis may be calculated in several ways:
 - i) by multiplying the number of CMRS subscribers receiving wireless E911 service as reported by the CMRS carrier prior to its request for reimbursement, by the amount authorized per subscriber for cost recovery by the Board. CMRS carriers will be required to report their subscriber count no less than once per quarter. The dollar amount paid to the CMRS carrier will vary based on total number of subscribers reported by the CMRS carrier.
 - ii) by submission of the actual or estimated recurring costs incurred by the carrier and approved by the board. If the estimated costs are submitted, these costs must be trued up as directed in paragraph 10 below.
 - iii) by a combination of the methods above.
- e) The Board may require that a carrier's Plan be reviewed and re-approved periodically, but no more often than once per year. After the initial one-year approval period has expired, presentation of a Plan for re-approval may be in writing or in person if the Cost Recovery Subcommittee or Board requires.
- f) Once a Plan is approved, changes to the Plan must be submitted in writing and approved by the Board. A CMRS carrier may request an adjustment of the reimbursement rate at any time upon written notice to the Board. Proper justification will be required.
- g) All confidential information received by the Board must be stamped CONFIDENTIAL and filed in the same manner. The Board will maintain relevant portions of all Plans so marked as confidential and proprietary information as required by North Carolina General Statutes § 62A-30. All confidential materials will be maintained and controlled in a secure manner by staff. No member may photocopy or take any confidential materials from the Board meeting site.
- h) The Definitions of North Carolina General Statutes § 62A-21 are incorporated by reference.
- i) The implementation Plan must address the following:
 - i) Describe the chosen technology or technologies (SS7 solutions, LEC solution, third party service bureau, etc.)
 - ii) Describe the architecture to implement the chosen technology(s) in those areas which have active requests for deployment. Describe the architecture necessary to implement statewide. Indicate all counties and/or municipalities of the state in which the carrier provides wireless E911 service and where additional deployment is expected. Indicate areas of the state, if any, where deployment has already occurred.

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- iii) List the known cost elements for the deployment, including non-recurring and recurring charges. Provide statewide costs, if possible.
- iv) Describe personnel costs (estimated number of hours and rates) and third party service rates being proposed, if any.
- v) If cost recovery is being proposed on a monthly 'per subscriber' rate, indicate the amount and describe the manner in which the rate was calculated.
- vi) North Carolina General Statutes § 62A-25 (d) states that prior approval of the Board is required for cost recovery invoices exceeding 125% of the service charges remitted by the CMRS provider. Therefore, include an accounting of the estimated aggregate total of service charges which will have been remitted to the Board as of the anticipated date of the first sworn invoice. Further, provide an estimate of the anticipated monthly service charge remittances for the subsequent 12 months and the anticipated sworn invoices for the same period.
- j) For purposes of cost recovery, a Sworn Invoice consists of an invoice prepared by the carrier which describes the cost recovery being requested. The invoice must be attested to by an authorized agent of the carrier. Only costs which comport with an approved Plan are eligible for cost recovery. Costs may be the actual incurred costs of the carrier, an estimate of the incurred costs, or the approved rate per subscriber multiplied by the actual subscriber count. If estimated costs are used, carrier must annually true up its costs to ensure that over-recovery does not occur. Carriers must maintain records to demonstrate that costs were actually incurred as invoiced. Internal costs (engineering time, facilities, proportionate share of software, etc.) must be supported by reasonable documentation. All costs are subject to audit by the Board. In no event shall a carrier be reimbursed an amount in excess of its actual costs.
- k) Carriers will submit to the Board quarterly status reports showing those areas of the state which have been implemented and indicating the schedule (if known) for the remaining areas.
- l) Prior to the Board's approval of a CMRS carrier's Plan, a CMRS carrier may be reimbursed for actual one-time costs toward their selected E911 solution. The CMRS provider must sign an agreement stating that if a mistake in payment is made, the CMRS provider will refund any amounts determined by the board to be mistakenly distributed.
- m) If any CMRS provider believes that it can justify an exception to these CMRS Carrier 911 Recovery Procedures or to any decision of the Board pursuant to these procedures, it may submit its request and documentation supporting its request to the Wireless 911 Board at least fifteen days prior to the Board's next scheduled meeting. The Board will consider the exception request at its next scheduled meeting and shall convey its decision in writing to the requesting CMRS provider.